

From: Robert Walters, Ph. D.

Sent: Thursday, April 06, 2006 7:52 PM

To: Public Hearing

Subject: Application by Wal-Mart for banking charter

I urge the rejection of Wal-Mart's application for a banking charter as an ILC bank. This corporation has a well-documented reputation for rapacious business practices in the retail industry: cut-throat pricing to eradicate local competition and coerce suppliers; unscrupulous employment practices, especially in aggressive anti-labor organization activities, and in abuses of workers with respect to overtime pay, advancement, etc.; failure to provide affordable health insurance for employees, such that a large percentage of employees and their dependents must enroll in Medicare programs to obtain health insurance (shifting the burden to taxpayers); wide-spread hiring of undocumented workers; violations of environmental, health and safety laws; etc. This hardly is the type of corporation that should be entrusted with the responsibilities incumbent upon financial institutions in our nation.

Not only would a Wal-Mart ILC Bank represent an unacceptable intruder in the financial health of local communities throughout the nation, it also would represent an inordinate aggregation of financial power into the hands of a corporation that appears to lack the ethical and prudent management philosophy -- as well as the record of same -- that your organization would ordinarily require of any financial institution. Based on its historical record, there is no doubt that any profits made by a Wal-Mart Bank would be sucked out of local communities and transmitted to Bentonville, AR, probably on a daily basis. Under the charter sought, it is my understanding that Wal-Mart would be exempt from complying with requirements to make loan-investments in local communities, further contributing to the economic de-stabilization of those same communities brought about by Wal-Mart's historic competitive aggression.

Certainly, Wal-Mart would argue that such destructive practices would defeat their purposes to make a profit in viable local communities. Regrettably, that argument fails based on the record: Wal-Mart retail has decimated many, many small -- medium area economies by forcing out of business hundreds, if not thousands of local businesses. This has left Wal-Mart standing -- and hugely profiting -- as the "only game in town" for retail goods. Following eradication of local competition, Wal-Mart has proceeded to behave as the monopoly it became, raising prices, reducing hours and entry-level wage rates of employees, intimidating local governments, etc., largely with impunity.

Again, I urge the FDIC to reject Wal-Mart's application for a banking charter. Their entry into the banking business is neither needed nor will it be welcome.